



Department of Justice

**United States Attorney Joseph H. Hogsett
Southern District of Indiana**

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CONTACT: TIM HORTY

(317) 229-2409

tim.horty@usdoj.gov

HOGSETT ANNOUNCES BANK FRAUD, TAX EVASION CHARGES AGAINST INDIANAPOLIS WOMAN

Fifteen year scheme allegedly bilked Hamilton County company out of nearly \$1.5 million

PRESS RELEASE

INDIANAPOLIS – In early 2012, United States Attorney Joseph H. Hogsett announced a redoubling of federal efforts to combat fraud, waste and abuse on the part of public officials and those in positions of trust within the private sector. Today, Hogsett announced more results in this ongoing effort with the filing of federal charges against Michele Spurgeon, age 58, of Indianapolis. She is accused of having defrauded an area business out of nearly \$1.5 million using a bank fraud scheme, and is also accused of hiding these assets from the Internal Revenue Service through a tax fraud scheme.

“Last year, we declared an end to the culture of corruption in Indianapolis and across the state,” Hogsett said. “Through the work of our white collar criminal prosecutors and our Public Integrity Working group, we have continued to send that message, and cases such as this make clear how seriously federal law treats those who seek to enrich themselves through lies and schemes.”

The charging document alleges that from 1996 until 2011, Spurgeon used her position at a Hamilton County business to orchestrate a sophisticated fraud scheme. The defendant would allegedly process all checks made payable to the company, but would withhold some of these checks, not depositing them into the company’s bank accounts. Instead, she would deposit these checks into a business account for a fraudulent company that Spurgeon allegedly created as a vehicle for her fraud.

The allegations describe a number of ways that Spurgeon hid this criminal activity. She would allegedly alter some of the checks payable to her employer, making them appear as if they were payable to her shell company. She also made adjustments to her employer’s accounting

records to conceal these fraudulent deposits. All told, it is alleged that Spurgeon deposited at least \$1,429,326 in checks intended for her employer into this fraudulent account.

Over the course of the scheme, Spurgeon allegedly spent this money on a number of personal items. These included casino gambling, credit card payments, mortgage and home equity loan payments, utility payments, as well as cash withdrawals. In addition, Spurgeon allegedly failed to report this additional money to the Internal Revenue Service. In 2007 alone, it is alleged that this failure to report resulted in a loss to taxpayers of \$67,378.

According to Assistant U.S. Attorneys Zachary A. Myers and MaryAnn T. Mindrum, who are prosecuting the case for the government, Spurgeon has petitioned the U.S. District Court to enter a plea to the charges against her. If accepted by a U.S. District Judge, Spurgeon faces up to 30 years in prison on the bank fraud charge, and an additional 5 years in prison on the tax fraud charge.

Court documents also indicate that, if convicted, the federal government will seek to seize Spurgeon's assets that were attained through criminal activity. This prosecution was the result of a collaborative investigation involving the Federal Bureau of Investigation, the Internal Revenue Service – Criminal Investigation, as well as the Hamilton County Sheriff's Department.

An indictment or information is only a charge and is not evidence of guilt. All defendants are presumed innocent and are entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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